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Statement of Basis for Renewal and Modification of Class III Area Permit

UIC Permit No. UTU-19-AP-1C3C2E8 (formerly UTU300001)

March, 2009

Intrepid Potash - Moab, LLC
P.O. Box 1208
Moab, Utah 84532

Cane Creek Mine, Grand County, Utah

Intrepid Potash - Moab, LLC (Intrepid) has made application for renewal and modification of an Underground Injection Control (UIC) area permit for their Cane Creek potash and salt solution mining facility located approximately 7 miles southwest of Moab, Utah.

The following modifications have been incorporated into this permit renewal:

1. Updates to the Technical Report (Attachment A of the permit),
2. Incorporation of references to new wells,
3. Updated Standby Trust Agreement and Financial Guarantee Bond (Attachment C of the permit) to cover the cost of plugging and abandonment of all wells and shafts,
4. Deletion of the annual mine cavity brine level test to be replaced by the addition of the requirement for continuous monitoring of brine levels in Shaft #2,
5. Addition of Monitoring Protocols (Attachment E of the permit) to facilitate consistency in monitoring activities,
6. Addition of Mechanical Integrity Testing (MIT) Protocols (Attachment F of the permit) to facilitate consistency in MI testing of wells and caverns, and
7. Addition of Reporting Tables (Attachment G of the permit) to facilitate reporting to DWQ.

These modifications will improve the implementation of the permit requirements by Intrepid and the regulatory oversight of those requirements by the Utah Division of Water Quality.

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File: Intrepid Potash-Moab UIC Permit, UTU-19-AP-1C3C2E8 (formerly UTU300001)

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